

*(Washington, DC) – U.S. Rep. Rush Holt issued the following statement in support of legislation that would extend permanently the current estate tax exemption, providing certainty for American middle-class families, family-owned businesses, and farmers. small businesses and farmers by permanently extending the current estate tax exemption. The Permanent Estate Tax Relief Act, which passed the House last night, would maintain the current estate tax exemption for inheritances of less than \$3.5 million per individual (\$7 million for married couples).*

I rise today in support of H.R. 4152, the Permanent Estate Tax Relief for Families, Farmers, and Small Businesses Act of 2009. This is responsible legislation that would provide permanent tax relief to middle-class families and family-owned businesses, while maintaining the estate tax for only the 7,600 wealthiest individuals nationwide, according to the Committee on Ways and Means.

H.R. 4152, the Permanent Estate Tax Relief for Families, Farmers, and Small Businesses Act of 2009 permanently would set the estate tax at the 2009 level. This would allow families and small businesses to have certainty about the rate of taxation on their estates and plan accordingly.

Currently the estate tax exemption is set at \$3.5 million for individuals and \$7 million for couples and with a maximum tax rate of 45 percent. Unless the House and the Senate take action, the estate tax is scheduled to enter 1 year of full repeal in 2010 followed by a return of the estate tax in 2011 with a drastically reduced exemption level and a much higher maximum rate of taxation. If we allow the estate tax to return to a \$1 million exemption at a tax rate of 55 percent, 30,000 more American small businesses, farms, and families will be subject to the estate tax in 2011. Given the high property values in New Jersey, allowing the estate tax to revert to a million dollar exemption would hit my constituents especially hard.

Additionally, the legislation we are considering today would require all new spending to be paid for and not increase the debt by instituting pay-as-you-go budgeting as law. I support pay-as-you-go rules because fiscal discipline must always be a hallmark of our government. In the 1990s with pay-as-you-go as the law, we turned the massive deficits of the 1980s into a

record surplus under President Clinton. Pay-as-you-go is only one tool, but it is a strong one to return our Nation back to fiscal stability.